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WORLD COFFEE PRODUCTION UP DRAMATICALLY IN 1981/82

SUMMARY

The first USDA estimate of 1981/82 world coffee production, based on conditions to about June 20, is 94.2 million bags (60 kilograms each), up 11.4 million bags from the 1980/81 outturn. Based on past performance the chances are two out of three that this first estimate of total production will not vary by more than 3.6 percent from the final outturn.

Exportable production--which represents total harvested production less domestic consumption in producing countries--is estimated at 73.2 million bags. The 1980/81 estimate was 62.6 million bags.

Much of the increase in output that will occur in 1981/82 is based on the replacement of older coffee trees with newer, higher-yielding varieties, that were planted because of the high coffee prices of recent years. The increase is most dramatic in Brazil where large-scale plantings made after the 1975 frost are now reaching peak productivity. While the profitability of growing coffee may have declined significantly over the past year, few countries have yet considered programs to reduce area and production. However, output may soon begin to decline in some countries where tree care and maintenance have tapered off.

In North America, crops in Mexico, Honduras, the Dominican Republic, and Haiti are expected to be larger in 1981/82 than in 1980/81, nearly offsetting the 400,000 bag reduction expected in Costa Rica and smaller drops in El Salvador and Nicaragua.

South America's 1981/82 output is expected to exceed 50.7 million bags, up from 39.3 million bags in 1980/81. The big increase will come in Brazil where production is up more than 10 million bags (from 21.5 million bags to 32.0 million bags). All of the other major producers, except Venezuela, will also harvest more coffee in 1981/82.

Africa's total crop is expected to be slightly lower in 1981/82 than in 1980/81. Decreases in Cameroon, the Ivory Coast, Uganda, Rwanda, and Zaire, mainly due to the cyclical pattern of production, are expected to exceed increases in Angola, Burundi, Ethiopia, Kenya, Madagascar, and Tanzania.

In Asia and Oceania, 1981/82 production is estimated at 9.8 million bags, up nearly 500,000 bags from the preceding year, with much of the increase coming in India and Indonesia.

PRODUCTION

NORTH AMERICA

North America's 1981/82 coffee crop is forecast at 14.8 million bags, 1.1 percent less than the 1980/81 outturn. Exportable production is estimated at 11.2 million bags, compared with 11.4 million for 1980/81.

Costa Rica's crop will be off 20 percent from 1980/81 at 1.6 million bags, nearly offsetting increases of 50,000 to 150,000 bags each for the Dominican Republic, Haiti, Honduras, and Mexico. Declines of 50,000 to 150,000 bags are expected for politically troubled El Salvador and Nicaragua. The forecast for Guatemala is unchanged from the current year at 2.6 million bags.

Costa Rica's 1981/82 (October/September) coffee harvest is forecast at 1.6 million bags, down from the revised estimate of 2.0 million bags for 1980/81. The decline is due to the normal cyclical pattern of production, accentuated by the loss of producer incentives because of low export prices and internal economic problems. In spite of the poor outlook, coffee growers are still expected to expand their 1981/82 plantings by 1,000 hectares. These plantings will consist of newer higher yielding varieties at increased density (5,000 trees/ha), in order to increase the efficiency of output. At the same time, the expanding cities are taking away land previously devoted to coffee.

At 2.0 million bags, the revised estimate of 1980/81 Costa Rican production is up more than 10 percent from the earlier estimate. The record output was due to excellent yields from a slightly larger harvested area.

According to the coffee program office, new quotas for the 1980/81 harvest have been set as follows:

Export quotas to ICO member countries	59%
Export quotas to non-member countries	15%
Assigned for local consumption	12%
Unassigned	14%
	<hr/> 100%

About 245,000 bags of coffee are required by the domestic market in Costa Rica. The auction price for green coffee sold into this market averaged colones 10.20/kilo (U.S. 26 cents/lb) during October 1, 1980-April 30, 1981, compared to colones 9.78 (U.S. 22 cents/lb) during the same period a year earlier.

Export contracts for the 1980/81 crop coffee through April were reported at about 950,000 bags, with a value of \$142.6 million. Based on these sales, the average export value was \$2.50/kg or \$1.13 per pound. Compared with 1979/80, the volume was down 5.8 percent, while the value was down 33.7 percent. Rumours of illegal sales of coffee to Panama persist, but are difficult to quantify. A sales contract has been signed with the Soviet Union providing for the shipment of 500 metric tons (8,330 bags) during calendar 1981. For the October/September 1981/82 coffee marketing year, exports are forecast at 1.5 million bags, the same as in 1980/81.

While yearend stock levels are expected to grow from about 82,000 bags on September 30, 1980 to 338,000 bags one year later because of the record 1980/81 harvest, they may decline to about 254,000 bags by September 30, 1982.

Cuban coffee production is currently estimated at 300,000 bags from a sparse tree population. Most of the higher quality coffees produced there are exported. For local consumption, Cuba imports an estimated 300,000 bags of lower quality coffee annually from African and Latin American suppliers for mixing with lower quality Cuban coffees.

Coffee production in El Salvador in 1981/82 (October/September) is forecast at 2.22 million bags, down 6.4 percent from the current estimate for 1980/81 due to continued neglect of trees on many coffee fincas (farms). In the opinion of Instituto Nacional de Cafe (INCAFE) officials, the 1980/81 harvest was slightly lower than anticipated because of weather and grower dissatisfaction with prices.

Terrorist activities do not seem to have materialized as a major limiting factor to coffee production in El Salvador. While rust was only a minor factor in lowering this year's crop, the disease remains a serious threat to future production, mainly because many of the small producers do not have the resources to fight it by themselves. Political problems and the low world coffee prices have led to tight credit, a major factor in the producers' inability to care for their trees. INCAFE's price to growers is quoted at 135 colones (\$54) per hundredweight for cherry coffee delivered to the coffee mill. According to a study by the Association of Coffee Producers, production costs average about \$102 per bag when yields average 10.6 bags per hectare (excluding fixed and administrative costs). INCAFE and the Ministry of Agriculture believe the average cost of producing coffee is somewhat lower at \$88 per bag.

The 1981/82 Guatemalan coffee (October/September) crop is forecast to remain unchanged from the 2.6 million bag estimate for 1980/81. Negative factors affecting coffee production are likely to offset much of any increase that might be expected due to the cyclical pattern of coffee tree yields.

No new outbreaks of coffee rust (Roya) have been reported, but this may change with the onset of the rainy season. The Coffee Producers Association's (ANACAFE) combined efforts with the Mexico-Guatemalan Roya Commission has now been extended to include a coffee bean borer control program. Both programs may be less than fully supported because of grower apathy caused by financial problems, especially the lack of credit, and guerilla harassment. Eighty-five percent of Guatemala's plantations are believed to be infested with borers. Although losses due to guerilla activities are not assumed to have reduced the 1980/81 crop by more than 2 percent, losses in yields may increase as the cumulative effect of the neglect of tree care.

The turnover of national farms to the workers continues in Guatemala. Workers given title to the land also receive loans from BANDESA, the National Agricultural Bank, as working capital. Declining world coffee prices are creating severe economic problems for the new owners, as well as other coffee producers, making it extremely difficult to repay BANDESA loans.

Growers currently receiving the equivalent of U.S. 85 to 95 cents per pound for green coffee (below production costs estimated at \$1.10 per pound by ANACAFE Growers) are seeking abolition of the export tax which amounted to the equivalent of U.S. 22.05 cents per pound on May 6 as a means to increase their returns. The Minister of Finance has indicated that the Government's budget could not survive the removal of the export taxes. He has, however, proposed a one-year, one-time, reduction of \$12-\$15 million in export taxes as temporary relief to coffee growers.

Exports totaling 679,919 bags during January/March 1981 brought the 6-month marketing year total to 908,390 bags, of which 33,194 went to ICO nonmember countries. ICO members paid an average of \$161.75 per bag, substantially above the \$135.42 per bag paid by nonmembers.

Unless additional nonquota markets can be found, yearend stocks are likely to reach 750,000 bags or more by September 30, 1982, up more than 150,000 bags from the level expected on September 30, 1981 and 2 1/2 times the yearend level for 1979/80.

Preliminary indications from the Haitian Coffee Institute (IHPCADE) and the coffee trade suggest that Haiti's 1981/82 (July/June) coffee crop should reach 595,000 bags, up 110,000 bags from the preceding year. Reportedly, new crop bloom and berry formation have been good over much of the country, however, data is almost nonexistent for the area hit by Hurricane Allen last August. During 1980 producers received US\$0.40 cents per pound, but on January 1 producer prices were increased to US\$0.70 cents per pound.

Coffee exports are expected to reach about 270,000 bags during the 1980/81 Haitian crop year. Total exports during the first 6 months of the ICO year (October 1980-March 1981) reached 169,503 bags.

Production of coffee in Honduras in 1981/82 is forecast at a record 1.5 million bags, up 120,000 bags from the previous year's alltime high, a result of increased plantings during 1977 and 1978 when prices were high. Yields per hectare are also expected to rise because the new plantings have been better managed, as well as planted at a greater density. At the same time, the Government is encouraging diversification into other crops in cases where coffee yields are marginal. The current low world prices and tight credit could act to keep the 1981/82 crop below the 1.5 million bag level.

Rust continues to be a major concern. According to official estimates, 4,000 hectares of Honduras' 400,000-hectare coffee growing area are affected. The Government of Honduras is seeking a share of a \$50 million fund established by the Government of Mexico to combat the disease.

Coffee millers are reportedly paying producers about 100 lempiras per quintal (US\$50 per hundredweight) for coffee. This is considered an initial payment, subject to increase later if export prices rise.

Honduras hopes to export about 1.1 million bags of coffee during the 1980/81 coffee marketing year. Actual exports may total closer to 1.0 million bags. In order to assist exporters in meeting competition for nonmember country markets, the Honduran Coffee Institute (IHCAFE) has petitioned the Honduran Government to waive 50 percent of the coffee export tax for sales to these markets.

For the first 6 months of the current marketing year, October through March, Honduran exports amounted to 469,371 bags, of which 41 percent to Europe, 40 percent went to the United States, 13 percent to Japan, and about 6 percent to nontraditional markets. The value of these shipments was placed at \$72 million, roughly one-third below last year's level. Shipments were heavy during April 1981, as IHCAFE reported cumulative exports through May 4 at 717,149 bags.

Honduras (IHCAFE) may sell Cuba 5,000 bags of low grade coffee. Honduras has a large surplus of coffee and an urgent need for increased revenues. The coffee would be handled by private exporters who would then sell through Panamanian middlemen.

Because the domestic market requires only about 110,000-120,000 bags of coffee annually, Honduras will probably encounter the following dramatic increase in stock levels based on current crop estimates:

<u>Year</u>	<u>Thousand bags</u>
September 30, 1979	35
September 30, 1980	81
September 30, 1981	345
September 30, 1982	625

Coffee production in Mexico in 1981/82 (October/September) is forecast to reach at least 3.75 million bags, up 150,000 bags from the latest estimate for the current season. Flowering in the principal coffee producing areas of Chiapas and Veracruz proceeded very well through April. Marginal increases in the area planted to coffee and in the tree population are anticipated for next year. Although coffee rust remains of great concern to producers and the Government, its entry from Guatemala has not been confirmed and, therefore, is not a factor in our estimate for next year.

Exports for 1980/81 are now expected to reach 2.0 million bags, a level only slightly higher than the country's ICO export quota.

Due to continued encouragement from the Mexican Coffee Institute, exports of processed coffee products are expected to increase from the green bean equivalent (GBE) of 200,000 bags in 1980/81 to 250,000 bags in 1981/82. Mexico is primarily an exporter of roasted or ground coffees rather than solubles.

Because of the continuing low world market price for coffee, on April 13 the Government reduced the export tax on both beans and processed coffee products by raising the minimum price levels below which no taxes are collected. No export tax is collected now on coffee beans valued at less than 80.17 pesos per kilogram, compared with the earlier cutoff rate of 66.81 pesos per kilogram. World coffee prices have now fallen so low that no taxes would be collected even at the lower cutoff level.

Mexican coffee consumption is expected to reach 1.48 million bags in 1981/82, up 5.7 percent from the current year. Soluble consumption, growing more rapidly at about 6 percent per year, is expected to reach the GBE of 670,000 bags next year, while the GBE of ground consumption, growing at the rate of 5 percent per year, should reach 810,000 bags. On April 13, the Government published a price schedule which will tie domestic coffee prices to minimum wages in Mexico City. Using this pricing system the relative costs for coffee will decline over a period of years even though the actual price may go up. For example, in 1981 the price for roasted coffee containing 30 percent sugar will be 0.382 percent of the daily minimum wage rate in Mexico City (currently 210 pesos per day) or 80.22 pesos per kilo. In 1982, the price will be 0.362 percent of that year's wage rate, and so on.

Nicaragua's 1981/82 (October/September) coffee harvest is estimated at 900,000 bags, down 50,000 bags from 1980/81 due to insufficient financing and continuing political uncertainty. If inflation is taken into account, available financing has been reduced by 50 percent. Some growers have had to lay off up to half of their permanent workforce, leading to improper maintenance. Only those growers who are already deep in debt and have no assets to lose, and the smallest producers, who have no choice, are reportedly willing to borrow to continue producing. The situation for the producers is aggravated by a myriad of new taxes, fines, and land takeovers.

Weather also holds a key to production this coming season. If the rainy season is favorable, production may be higher. According to Empresa Nicaraguense de Cafe (ENCAFE), the 1980/81 coffee production estimate has been reduced to 950,000 bags due to the lack of timely harvest labor, improper care of coffee trees before and during the 1979 civil war, and the light weight of coffee berries.

The area planted to coffee in Nicaragua is believed to have expanded to 110,000 hectares in 1980/81. Further expansion is anticipated in 1981/82, as the area denuded of coffee trees by rust is replanted.

Exports for 1980/81 are now projected at 880,000 bags, including about 100,000 bags for nonquota markets. Through April 24, exports reached 475,461 bags of green coffee, including 85,752 bags to nonquota markets. Soluble exports for the same period were estimated at the green equivalent of 61,000 bags. Coffee exports should decline slightly to 850,000 bags in 1981/82. Domestic consumption may also increase marginally during the year (from 84,000 bags to 85,000 bags).

Coffee production in Hawaii is expected to bounce back from the record low of 9,000 bags from the 1980/81 (October/September) harvest to about 16,000 bags in 1981/82. The current coffee crop was drastically reduced by the January 1980 windstorms which battered fields in Kona. In contrast, weather for the 1981/82 crop, especially the moisture conditions, has been favorable and brought a good bloom in most orchards. The decline in total and bearing acreage, to 1,900 and 1,700 acres, respectively, in 1980/81, is expected to continue in 1981/82, as additional area is lost to the more profitable macadamia nut trees and urban expansion.

SOUTH AMERICA

Coffee production in South America in 1981/82 is estimated at 50.7 million bags, up nearly 29 percent from 1980/81 because of a much larger Brazilian harvest. Brazil should harvest at least 32 million bags during 1981/82, up from 21.5 million bags in 1980/81. Colombia's crop for 1981/82 will be up 500,000 bags from the revised figure of 14.0 million bags for 1980/81. Increased output over 1980/81 is also predicted for Ecuador, Paraguay, and Peru. Only in Venezuela, among the more important South American countries, is a marginal decline expected.

Brazil's 1981/82 (July/June) coffee crop is estimated at between 31 and 33 million bags, with a good possibility the final outturn will be on the high side of this range. Nevertheless, the final production estimate for Brazil's 1981/82 coffee crop will depend exclusively on dehusking yields, which will not be known until after mid-August.

The 1981/82 crop will be the fourth largest in history, surpassed only by the 1959/60 crop of 44.1 million bags, the 1961/62 crop of 39.6 million bags, and the 1965/66 crop of 37.7 million bags. These three coffee crops were largely responsible for the huge buildup in Brazilian stocks, estimated at about 70 million bags in the mid-sixties, and were utilized to offset Brazil's and the world's coffee deficits over the past fifteen years.

In general, the larger 1981/82 crop reflects the favorable weather that has prevailed over the past year or more. This good weather was been particularly important for the young trees planted after 1977 that are expected to begin producing significant amounts of coffee in 1982.

On June 30, 1981, the end of the current coffee marketing year, Brazil's stocks likely totaled only about 5 million bags, the lowest level since the late 1970's. Brazil has unused storage capacity estimated at 35 million bags. If Brazil's coffee trees experience a frost-free winter season (June--August), Brazil can use this storage capacity to begin gradually replenishing depleted stocks. However, even if there is light to medium frost damage this year, Brazil's sizeable 1981/82 coffee crop will help cover its coffee supply requirements for domestic consumption and exports until mid-1983.

The current Brazilian Coffee Institute (IBC) support price for coffee, effective since January 1, 1981, is Cr\$7,300 per 60 kilogram bag (current exchange rate: Cr\$85.80 per US\$1.00). Regional grower associations are pressing the Government for a support price of Cr\$11,000 per bag, effective July 1, 1981, and an automatic adjustment to Cr\$13,500 on October 1, 1981. Government sources regard the request as totally unrealistic.

Although the Government may have to allocate substantial funds to purchase "surplus" coffee, this course of action currently is regarded as too inflationary. The preferred alternative is likely to be a credit policy to encourage growers to retain the excess coffee.

Coffee exports during the 1980/81 coffee marketing year are estimated at 16.5 million bags, including 2.5 million bags (green bean equivalent) of soluble coffee. This is an increase of 2.5 million bags over last year's exports of 12 million bags of green coffee and 2 million bags (GBE) of soluble coffee. Exports during the 1981/82 marketing year are forecast at 17.5 million bags.

On May 19, 1981, IBC resolution 32 temporarily set individual export quotas for members proportionate to their export sales of green and/or soluble coffee to ICO member countries during 1980. The volume of such sales to nonmember countries continues without restriction. The IBC action was temporary, taken to maintain a disciplined distribution of coffee sales among traditional exporters within the limits of each country's ICO quota.

Domestic consumption of coffee in Brazil is expected to total 8.5 million bags during the 1981/82 marketing year, up 500,000 bags from 1980/81. Brazil's roasting capacity is estimated by the Coffee Roasting Industry Union (CRIU) at 21 million bags a year. According to the CRIU, Brazil's domestic market traded 7.6 million bags of coffee for domestic consumption during CY 1980. This does not include coffee consumed on nearly 230,000 coffee farms, nor by employees of processing and roasting plants.

In view of the recuperation of Brazil's coffee production, the IBC is preparing a campaign to increase annual consumption by 2.5 million bags in the short term. The focus of the campaign will be on the 50 million Brazilians under 25 years of age who consume little or no coffee at the present time.

The IBC's coffee policy for 1981/82 can be roughly summarized as follows:

1. to continue strict observance of ICA rules and export quota limits;
2. to negotiate, during the September ICO meeting in London, a 17 to 18 million bag Brazilian export quota for the 1981/82 marketing year;
3. to maintain the current aggressive export policy through price discounts granted to foreign buyers;
4. to eliminate the partial price subsidy for domestic coffee consumption granted to Brazilian roasters as of July 1, 1981; and
5. to discourage further planting of coffee by increasing the cost of loans.

At 14.5 million bags, the estimate of Colombia's 1981/82 (October/September) harvest will be up 500,000 bags from the current 14.0-million-bag estimate for 1980/81. Colombia's 1980/81 harvest was previously estimated at 12.6 million bags. Harvested area for 1980/81 is calculated at 1,074,723 hectares, down marginally from the 1,084,503 hectares harvested during 1979/80. Yields from improved varieties, especially Caturra varieties of Arabica coffee covering 31 percent of the coffee area, rose 6.3 percent between 1979/80 and 1980/81 and totaled 1,860 kilograms per hectare. Yields from the traditional shade grown coffee, covering the remaining 69 percent of the coffee area, rose 5 percent to 433 kilograms per hectare.

Progress toward replacing the traditional shade grown varieties with the higher yielding, sun grown varieties has been an important factor in Colombia's increased coffee output in recent years. The following table shows a comparison of the area in culturally improved plantations with that in the traditional plantations, as well as the resulting yields and production.

Colombia: Coffee Production: Distribution between Traditional and Technically Improved Plantations as of December 1980.

Type of Plantation	Hectares		Yield (60 kg bags/ha)		Production (60 kg bags/ha)	
	Number	%	Number		Number	%
1. Traditional	812,717	69.1	7.22		5,867,817	41.9
2. Technical (Bearing)	262,006	22.3	31.00		8,132,183	58.1
3. Technical (Nonbearing)	101,277	8.6	-		-	-
Subtotal (2+3)	(363,283)	(30.9)	(22.38)		(8,132,183)	(58.1)
TOTAL	1,176,000	100.0	(11.91)		14,000,000	100.0

Source: Office of the Agricultural Counselor based on information from the Coffee Grower Federation (CGF).

Between 1979/80 and 1980/81 the percentage of coffee area in culturally improved plantations increased from 19.0 to 22.1 percent. Favorable weather, especially during the blossoming period, also contributed to this year's larger output.

The official support price for coffee remains fixed at 9,200 pesos for 125 kilograms of parchment (approximately US\$173.78 at the current exchange rate). Grading standards set by the CGF are not being met in all areas and some private buyers reportedly are paying growers less than the official price.

On April 24, 1981 the Monetary Board increased the repatriation requirement (amount of dollars the exporter must surrender to the National Bank) from US\$181.95 to US\$186.50 per 70 kg bag exported. Simultaneously, the National Coffee Committee authorized an increase from 15 to 20 percent in the retention tax, which is the amount of parchment coffee delivered by the exporter to the Coffee Fund for each 70 kg of green coffee exported.

Officially, coffee exports amounted to only 4.4 million bags during the first 6 months of the current marketing year (October 1, 1980-March 30, 1981). Sales to ICA member countries were down 37 percent, while shipments to nonmember countries were 12 percent below the volumes exported during the same period in 1979/80. Exports to the United States were 38 percent lower this year. Decreases of 38, 27 and 37 percent, respectively, were also registered for exports to Holland, Sweden, and Finland, while sales to West Germany increased slightly (4.2 percent). The decline in sales to nonmember markets indicates Colombia is having a difficult time securing such markets.

Estimates of ending stocks for the current marketing year have been revised upward to 6.3 million bags, in line with the high production estimate for the year. The burden of carrying larger stocks will fall heavily on the Coffee Grower Federation's (CGF) Coffee Fund, which draws its resources from the retention tax and sales of coffee to local roasters. Stock levels may be even higher at the end of the 1981/82 marketing year, at about 8.7 million bags, another new record. Colombia has storage capacity for an estimated 14 million bags, 85.7 percent owned by the CGF and Almacafe' (A coffee storage warehouse network partially owned by the CGF).

Colombian foreign exchange earnings from the sale of coffee are expected to drop from about US\$1.985 billion, or 58.5 percent of export revenues in 1980, to US\$1.332 billion or 46.2 percent of revenues in 1981. Lower coffee earnings will have an adverse effect on Government development programs and the overall economy, especially since other export crops (cotton, sugar, cut flowers, leather, etc.) are also facing similar difficulties. More attention will be given to the coffee diversification program in order to switch marginal coffee land to other agricultural activities, such as forestry. Substitution of other crops such as cocoa on marginal coffee land in the southern region of Narino, Putumayo, and Caqueta is intended as a measure to prevent an outbreak of coffee rust there.

Ecuador's 1981/82 (April/March) crop coffee crop is estimated at 1.525 million bags, up from the 1.413 million bag 1980/81 harvest that was reduced by drought. More favorable weather should bring yields back to normal, and even though the country's Robusta plantations are still suffering the effects of twig borer damage, any loss in output should be at least offset by new areas coming into production.

Renovation efforts under the National Coffee Program (PNC) have been resumed, but due to the low international and domestic price levels, they will be held to a smaller schedule this year.

Coffee exports during 1980/81 amounted to about 1.07 million bags, down nearly 300,000 bags from the preceding year and slightly below the ICO quota for the country. Nearly all exports were to member country markets, led by the United States, which took over 50 percent of the exports, followed by Hungary, West Germany, and Spain.

Ecuador's exports during 1980/81 included the green bean equivalent of about 140,000 bags of soluble, twice the volume exported during the preceding year. The country's soluble processing capacity was most recently increased in 1980 with the start-up of Transcafe. Plans for several other soluble plants now appear to be in abeyance until the world coffee marketing situation becomes clearer. A major incentive for developing foreign markets for soluble coffee is the Tax Exemption Certificates granted for such exports. Opposition is growing to the export tax on coffee, which has been maintained at 26.5 percent of the f.o.b. value since export prices are below \$165.35 per bag. The concern is that coffee production will become unattractive to growers who will switch to alternative crops to the extent possible. However, no action by the Ecuadorian Congress is expected on this matter in the near future.

Paraguay's 1981/82 (April/March) coffee crop is estimated at 175,000 bags, up 100,000 bags from the past year, based on more favorable weather and additional trees coming into production. About 13,000 hectares are expected to be harvested during 1981, an increase of 2,000 hectares over 1980. Yields will be up in the Department of Canediyu, where trees have now fully recovered from the 1975 frost. Canediyu contributes 60 percent of the country's production. The balance is produced in the Departments of Amambay, Concepcion, and Alto Parana. About half of Paraguay's coffee is produced on small plantations ranging from 5,000 to 10,000 trees.

Exports are expected to more than double during 1981. Much of Paraguay's coffee reportedly is exported unofficially to Argentina.

The 1981/82 (October/September) Venezuelan crop is expected to be about 1.035 million bags, down 4 percent from the 1980/81 crop, but up 4 percent from the 1979/80 outturn. Lower production is forecast for 1981/82 because of recent heavy rains which caused some blossom loss. Heavy rains have also made it more difficult for the farmers to dry and market their 1980/81 harvest.

Venezuelan exports are not likely to exceed 50,000 bags this year and next because at present prices the National Coffee Fund (NFC) prefers to sell to local industry rather than subsidize exports. The NFC is paying farmers around Bs 835, about \$195, per 46 kilos.

AFRICA

Africa's coffee production is estimated at 18.95 million bags for 1981/82, down more than 200,000 bags from 1980/81. Lower estimates for the Ivory Coast and Cameroon will not be offset by somewhat better prospects in a number of other African countries.

Coffee production in Burundi may reach 480,000 bags during 1981/82 (April/March), up nearly 150,000 bags from the preceding year. Deliveries through local marketing channels could fall well below production since producers are believed to be selling some of their coffee in Rwanda where prices are higher and sales proceeds can be exchanged for consumer goods.

Over 90 percent of Burundi's foreign exchange is earned from the sale of coffee. About half is normally sold to the United States. Exports, usually heaviest during the June-September period, could be slower this year, since the Tanzanian lake port of Kagoma through which Burundi exports its coffee has been operating at one-third of capacity.

The 1981/82 (October/September) coffee harvest in Cameroon may decline to 1.6 million bags following the current year's bumper crop which could exceed 1.8 million bags. Unlike some coffee trees which bear heavily every other year, Cameroon's Robusta trees are on a three year-cycle, with two years better than the third. The two-year cycle applies to Arabica trees, which are also grown in Cameroon. The current crop is apparently a good year in the production cycle of both types.

Cameroon has about 354,359 hectares of coffee, including 156,442 hectares of Arabica and 197,917 hectares of Robusta.

Grower prices for 1980/81 crop coffee are considered attractive at 340 CFA/kilogram for Arabica and 320 CFA/kilogram for Robusta. A major portion of Cameroon's coffee is picked by hired labor. This year's transient labor force reportedly was not well paid, thus workers may be less readily available for next year's harvest.

Over the past three years the Government of Cameroon has tried to make the production of cash crops such as coffee and cocoa as attractive as possible, in part to stem migration of the farm population to urban areas. Producer prices for these commodities have more than doubled and insecticides, pesticides, and fertilizers are provided free to producers. Young farmers, willing to establish a new plantation, are given additional incentives in the form of land development loans and grants.

Sales to ICO nonmembers are not expected to total more than about 30,000 bags during 1980/81. If member country sales are at quota levels, Cameroon would end the current marketing year on September 30, 1981 with stocks totalling about 930,000 bags, up 200,000 bags from the preceding year.

Domestic processing of coffee in Cameroon is believed to have risen rapidly from 32,000 bags in 1978 to 51,000 bags, in 1980. Soluble imports have largely been curbed, while roasted or ground sales to nearby countries have increased substantially. Onfarm consumption is believed to be small (4,000-5,000 bags).

The 1981/82 (October/September) Ethiopian coffee crop is estimated at 3.2 million bags, up 100,000 bags from the preceding season. Ethiopia's coffee harvest remains difficult to estimate because of large losses from semi-wild trees, poor harvesting and processing methods, spoilage, smuggling, or simple failure to pick.

The major factors slowing 1980/81 coffee crop deliveries at the present time are low coffee prices and bad weather, especially in the southern coffee region. As a result, farmers are believed to be holding 250,000 to 350,000 bags which would normally have been sold by now. Ethiopian producers currently receive the equivalent of US\$0.48 cents per kilo, while their production costs may be as high as US\$0.57 cents per kilo. Producer prices are held down by the coffee surtax which fluctuates with the ICO composite indicator price. The tax is currently equivalent to about US\$ 47 per bag.

Low producer prices are also handicapping Government efforts to expand production in the highlands. Government programs have emphasized improved cultural practices, including the use of sprays to control disease and the introduction of varieties resistant to coffee berry disease. About 20 percent of Ethiopia's coffee crop is affected by coffee berry disease. Replacing existing trees with disease resistant varieties is a slow process, and unlike existing trees, the new varieties may not be rust resistant.

Increased plantings are also scheduled for lowland areas, but marketing of this coffee, which will be poorer in quality than that grown in the highlands, will be a problem. The Government has a program assisted by the World Bank to add about 100 stations for washing coffee over the next four years. Although the existing annual capacity for washing is somewhat larger, only about 125,000 to 150,000 bags of washed coffee are produced each year.

For 1981/82, Guinea's coffee crop is forecast at 65,000 bags, down 10,000 bags from the current year. These figures do not include 30,000 to 40,000 bags reportedly smuggled out of the country for sale in Sierra Leone and the Ivory Coast. Domestic sales are believed to take about 7,000 bags, while exports to ICO members total only 5,000 bags. The remainder is exported to the People's Republic of China and Eastern European countries under older contracts for which Guinea has fallen into arrears.

Coffee production in the Ivory Coast is forecast at 280,000 tons, or 4.67 million bags for 1981/82. Weather conditions for the 1981/82 crop has generally been regarded as normal.

Although the Ivorian coffee crop for 1980/81 is currently estimated at 300,000 tons, or 5.0 million bags, the final outturn could be up to 500,000 bags higher. This unexpected increase over the 247,000 MT (4.12 million bags) 1979/80 crop was apparently due to several factors. First, automated decorticating plants have replaced time-consuming onfarm hand hulling, thus freeing family and hired labor for second and third pickings. The added free time also gave the owners an opportunity to carry out better management practices. Second, yields from mechanically hulled cherries average at least five percent higher than those from hand hulled cherries. Third, the higher yields are being obtained from trees pruned under the Government's regeneration program over the past several years. Fourth, weather was more favorable. Fifth, pickings were not handicapped by labor shortages.

In recent years, Government policies have favored cocoa over coffee production. But it now appears the Government is altering its priorities in favor of coffee. Price incentives, as well as subsidies for new or replacement plantings, will be used to overcome the appeal to producers of cocoa's lower labor requirements and relatively higher yields per hectare. A major factor in the recent decision to favor coffee over cocoa is based on its extended storability. Cocoa quality tends to deteriorate within months after entry into most economical storage units, while sun dried Robusta coffee can often be held for several years without significant quality deterioration.

At the present time, Ivorian coffee production substantially exceeds the country's ICO export quota. Some of the excess can be marketed in nonmember countries, but such sales may be limited by the Government's refusal to accept offers at prices not regarded as remunerative. Placing such stocks in storage is, at least for the present, a more acceptable alternative. The rapid buildup in stocks anticipated under this policy has prompted a request for an increased export quota by the group of countries that make up the African and Malagasy Coffee Organization (OAMCAF). The Ivory Coast, which has played the lead role in this request, stands to benefit most from any new allocation.

The prolonged rains Kenya has experienced this year, together with the first production from coffee trees planted between 1975/76 and 1978/79 under the coffee rehabilitation program, are expected to boost the (October/September) 1981/82 coffee harvest to 1.58 million bags. The rains are also expected to benefit crop pickings during June through September 1981, thereby boosting the 1980/81 harvest to about 1.45 million bags.

Coffee area for the 1980/81 crop is estimated at 127,000 hectares, compared to 102,404 hectares in 1979/80. The harvested area is forecast at 110,000 hectares for 1980/81, up 20 percent from the 92,000 hectares harvested during 1979/80. For 1981/82, the planted and harvested areas are expected to rise to 130,000 and 115,000 hectares, respectively.

Outbreaks of coffee berry disease, leaf rust, and solai dieback have been fairly widespread this year, but these problems have largely been controlled through spraying programs conducted under the guidance of officials of the Ministry of Agriculture, the Coffee Board, and the Coffee Research Foundation (CRF).

Estimated yields per hectare in Kenya for the past four seasons, along with figures for the area in coffee and production for 1979/80 by sector, are as follows:

Sector	1979/80	Production Thousand bags	Average Yields (kgs)			
	Area in Coffee Ha		1976/77	1977/78	1978/79	1979/80
Cooperatives	71,172	865,173	844	730	736	729
Estates	31,232	651,947	1,782	1,091	920	1,252
Micellaneous	-	11,219	-	-	-	-
National	102,404	1,528,339	1,199	971	810	895

Coffee deliveries to the Board through May 19, 1981 totaled 735,480 bags, down from 929,603 bags for the same period in 1979/80. Estate sector deliveries were 272,738 bags, down 34 percent, while deliveries from Cooperative Societies reached only 457,975 bags, a drop of 11 percent.

The introduction of export quotas for the 1980/81 season placed serious constraints on the movement and storage of Kenya's coffee, and higher crop volumes expected in the future may exacerbate the situation. Faced with an alltime high output and quota restrictions, the Board probably will be hard pressed to pay farmers for their coffee on a timely basis and to store the unsold coffee. The continuous and dependable export of a high quality product is a major goal of the Kenyan Coffee Board. In order to protect quality, coffee is largely stored in the parchment form until it is processed for export.

Exports through May 19, 1981 totalled 863,973 bags, down from 1,011,352 bags during the comparable period of 1979/80. The largest share of Kenya's coffee exports continues to go to the Federal Republic of Germany, followed by the United Kingdom, Holland, Italy, Finland, Sweden, Belgium, the United States, and France.

An increase in domestic consumption of 20 percent, from 63,029 bags in 1979/80 to about 75,000 bags in 1980/81, will ease the supply situation slightly. However, the Board still anticipates ending stocks for the current year to total about 535,000 bags, up from 472,000 bags one year earlier. Kenya is also seeking to sell coffee to nonquota markets, especially in the Middle East.

Rwanda's 1981/82 (April/March) coffee crop is estimated at 400,000 bags, down from the 527,000 bags produced in 1980/81. The country's own coffee is all Arabica, however, some Robusta is bought unofficially in neighboring countries. Rwanda's coffee is produced by an estimated 400,000 small--holders. Because of the need for more food, the Government has no plans to expand the production area beyond the current 30,000 hectares. However, it believes that with improved cultural practices, output can be increased substantially. Once land has been planted to coffee, it must remain in coffee, since buy law trees cannot be removed without being replaced.

The Government of Rwanda (Office des Cultures Industrielles du Rwanda) acts to stabilize prices by guaranteeing producers 120 Rwandan francs per kilogram. The difference between the domestic price and the world market price is placed in a stabilization fund to smooth out fluctuations in the world price and to provide monetary support for the central government budget.

All of Rwanda's coffee is marketed by Rwandex, a joint-venture marketing organization with European partners. Transportation problems, caused by political instability in neighboring Uganda, have slowed landlocked Rwanda's exports for the past several years. The Government now owns a Boeing 707 cargo jet, mainly to fly coffee to Mombasa, thus avoiding problems of ground transportation through Uganda.

Most of Rwanda's coffee has, in the past, been purchased by the United States, but a growing proportion now goes to Europe and other destinations.

Coffee production in Togo in 1981/82 (October/September) is estimated at 170,000 bags, up 10,000 bags from 1980/81. Togo's coffee is grown in the western part of the plateau region bordering Ghana. Production stagnated during the early and mid-70's as growers declined to maintain their plantations because of low producer price. Higher prices in the late 1970's and a 1975 World Bank project have brought production almost back to pre-1970 levels. Another World Bank project signed in 1980 could stimulate production to about 250,000 bags before the end of the current decade. Togo's coffee development projects are devoted to replacing the old Niaouli variety coffee trees, which yield 100 kilograms per hectare, with improved coffee varieties yielding up to 850 kilograms per hectare in peak years.

The 1981/82 Zairian coffee crop is estimated at 1.3 million bags, down 100,000 bags from 1980/81. Reportedly, coffee inventories held by exporters are high and credit resources are being stretched to the limit. Unless coffee begins to move soon, coffee purchasing in the interior could cease, which in turn would influence future production.

Several other factors, in addition to low world coffee prices, have hurt Zairian exports this year. First, legal coffee exports yield only 4.5 Zaires/kilogram (3 Zaires=US\$1), while most exporters have borrowed 5-6 Zaires per kilogram to purchase, transport and process coffee for export. Since sun-dried Robusta coffee can be stored for 2-3 years with minimal deterioration, exporters prefer to wait until currency devaluations render legal exports profitable. Secondly, all exports to ICO member markets must be covered by export stamps. Stamps released April 1 by the Central Bank for

the April-June 1981 quarter rapidly dissappeared, reducing exports and preventing some Zairian dealers from establishing reputations as reliable suppliers. Thirdly, minimum export prices are fixed weekly. Because of the falling market prices, the minimum export prices at which exports can be made have been above the going market rate for Zairian coffee, thereby effectively curtailing sales.

ASIA AND OCEANIA

Production of coffee in Asia and Oceania is estimated at 9.8 million bags, with exportable production estimated at 7.0 million bags. These figures represent increases of 500,000 bags and 400,000 bags, respectively, from corresponding estimates for 1980/81. Increases of 5 to 7 percent are expected for 1981/82 from each of the major suppliers, which include India and Indonesia in Asia and Papua New Guinea in Oceania.

The 1981/82 (April/March) Indonesian coffee crop is estimated at 5.42 million bags, up 4 percent from the 5.16 million bags produced in 1980/81. The increase stems from the large number of seedlings planted in the late 1970's, which are now beginning to bear, and improved cultural practices, especially the increased use of fertilizer. Low producer prices may discourage harvesting, and ultimately some farmers might destroy their plantations. Indonesian farm prices are said to have dropped to about 80 cents per kilogram for "Country Run" beans and to \$1.12 per kilogram for "Export Grade" 1 beans. Both prices were based on port delivery. An additional bearish factor is that Lampung and Palembang exporters have to pay 20 to 30 cents per kilogram for ICO quota allocations not used by other exporters.

Total Indonesian exports now appear to have reached 3.25 million bags during the April 1980/March 1981 period, down 500,000 bags from the preceding year. Due to the restrictions imposed by the ICO export quotas, Indonesia may be unable to export 3.5 million bags in 1981/82, including about 2.8 million bags to ICO markets. In an effort to cope with the low international market price, the Government dropped its minimum export price to 83 cents per pound for Robusta and to \$1.16 per pound for Arabica during the first quarter of 1981. The surtax on Robusta was reduced to zero leaving only a 4 cent per pound excise tax on exports. At the same time, the Government is offering exporters 1 ton of export quota for each ton of coffee exported to nonquota markets. Such exports are drawn from reserves established for this purpose. Minimum export prices for nonmember sales were reduced to 68 cents per pound for Arabica for the April-June 1981 quarter.

Because ICO quotas are largely based on past exports rather than current production levels, Indonesia will have to stockpile an increasing proportion of its coffee. The amount stocked is expected to grow from 400,000 bags on March 31, 1980 to nearly 2.0 million bags 2 years later. Although the pressures from farm and trade groups is expected to be great, there is no indication that Indonesia will abandon the ICO Agreement.

Given continued good weather, India's 1981/82 (October/September) coffee crop can be forecast at 2.33 million bags (composed of 1.25 million bags of Arabica and 1.08 million bags of Robusta), about 7 percent higher than the current 2.17 million bag estimate for 1980/81. Efforts on the part of the

Coffee Board and the Government to provide the "necessary" subsidies/inputs have increased India's production potential as is indicated by the large (2.6 million bag) 1979/80 harvest. Prospects point to continued growth in Indian coffee production, despite the decline in world coffee prices over the past year. The Government's plan envisages the doubling of coffee production by the end of the century, through higher yields in traditional areas and the addition of 130,000 hectares of new coffee lands by 1993/94, including 72,000 hectares in nontraditional areas and 58,000 hectares in traditional areas.

Seasonal conditions during the current (1980/81) crop year were ideal for harvesting and processing coffee. Crop receipts by the Pool through March 15 totaled 1.387 million bags, made up of 667,000 bags of Plantation (a type of Arabica), 225,000 bags of Arabica cherry (GBE), and 486,000 bags of Robusta.

Exports during the 1980/81 marketing year (October/September 30) are projected to reach a record 1.37 million bags, including about 350,000 bags to nonquota markets. The Government hopes exports will be equally as high during 1981/82. Even with record exports in 1980/81, yearend stocks on September 30, 1981 will probably exceed 1.3 million bags. Because supplies are adequate, allocations for the domestic market by the Coffee Board continue to be liberal. Between 1979/80 and 1980/81, domestic consumption rose from an estimated 833,333 bags to 915,000 bags. A further rise to 950,000 bags is forecast for 1981/82. Should estimates for 1981/82 prove correct, yearend stocks on September 30, 1982 would be largely unchanged from 1 year earlier.

At the Executive Board meeting May 26-28, Thailand was accepted as the 46th exporting member of the ICO. According to Thai sources, Robusta coffee was introduced into Thailand in the 1920's. Some Arabica plantings have occurred since, but account for only about 1 percent of total production.

Most of the coffee is grown on small plots averaging about 4 hectares in size. There are usually fewer than 1,000 trees per hectare, since intercropping of coffee with other crops is commonly practiced. Planted area has more than tripled since 1976, while output has more than doubled, as indicated by the following table.

THAILAND: COFFEE AREA, TREE POPULATION,
AND PRODUCTION (1976-1981)

Year	Planted Area Ha	Tree Population		Production 60 kg bags
		Bearing	Non-bearing (000)	
1976	12,002	7,291	1,710	127,250
1977	13,530	8,219	1,929	136,733
1978	17,263	10,487	2,460	162,933
1979	27,810	16,895	3,963	233,083
1980	31,010	18,838	4,420	210,167
1981	35,969	20,895	6,112	299,483

Source: ICO document EB 1913/81 (E).

Area and production are projected to continue to rise over the next 5 years according to the following schedule.

Thailand: Projection of Coffee Area, Tree Population, and Production
1982-1986.

Year	Planted Area Ha	Tree Population		Production 60 kg bags
		Bearing	Non-bearing (000)	
1982	37,448	22,730	5,336	318,500
1983	41,060	24,636	6,159	340,800
1984	43,301	25,981	6,495	368,067
1985	45,268	27,161	6,790	393,833
1986	48,333	29,000	7,250	425,333

Source: ICO document EB 1913/81 (E).

Thai domestic consumption, which is rising fairly rapidly, is now believed to be between 100,000 and 200,000 bags annually. The amount of imported soluble for domestic use has declined from 9,117 bags (GBE) in 1976 to 4,117 bags in 1980.

During the past 5 years, coffee exports have ranged from 19,042 to 65,741 bags. Exports during 1981 could be as high as 100,000 bags. Singapore is the principal destination for Thai coffee. There are no Government regulations or controls on the export of coffee. Trading in coffee is conducted mainly by the private sector.

Under the stimulus of favorable coffee prices during the late 1970's, additional coffee plantings were made in Papua New Guinea. Even more important, the higher prices induced the increased use of inputs such as fertilizer and generally improved management practices. The residual benefits of such efforts are expected to carry coffee production to the 900,000 bag level in 1981/82 (July/June), about 50,000 bags above the 1980/81 estimate. Whether the smallholder sector will continue to harvest marginally productive trees at today's lower coffee prices may become an important factor affecting the size of the 1981/82 crop.

Grower prices for coffee are tied to export returns and have therefore declined over the past year. Factory door prices for sound quality, dry parchment highland Arabica beans in the main production areas were quoted at between the U.S. equivalent of \$1.11 and \$1.63 per kilogram for the week beginning April 27, 1981. Coastally-produced Arabicas brought between US\$1.19 and US\$1.34, while coastal Robustas ranged from US\$0.74 to US\$1.19 per kg.

Favorable world coffee prices moved coffee exports to a record 803,500 bags in 1978/79. Performance in 1979/80 was almost equally as good, with exports down only about 1 percent from the previous year's. Because of the reimposition of ICO quotas, exports are expected to fall to 770,000 bags during 1980/81, including about 660,000 bags to member country markets. Given that coffee contributed a substantial portion of the country's total foreign exchange earnings (18.4 percent in 1980) and that space for storing coffee is limited, considerable efforts are being made to make sales to nonquota markets. Even with the incentive of low prices, shipments to these markets may not exceed 100,000 bags during 1980/81 and 1981/82.

Because production will exceed sales, coffee stocks will rise progressively from the 105,000 bag level registered for June 30, 1979, to 550,000 bags on June 30, 1982. Most of these stocks will be in the hands of the Coffee Marketing Board. The burden of storing the ever growing surplus will fall to the Government, presumably to be financed from stabilization fund money. The Government would like to see the potential surplus reduced through an increase in their ICO quota entitlement, and feels an increase is justified based on recent export performance.

Government sources in Sri Lanka indicate Arabs introduced coffee there as a plantation crop between 1823 and 1825. The area in coffee increased from 4,000 acres in 1836 to 50,000 acres in 1867. Beginning in 1869, plantations were attacked by coffee leaf rust which nearly destroyed the industry. By 1953, less than 20 acres remained, mainly in village gardens at higher altitudes, where leaf rust is less damaging.

Coffee production exists on a much larger scale today. Current estimates by the Government place production at about 50,000 bags from 14,600 acres, including new and replacement plantings. Coffee may be expanded to cover as much as 24,000 acres by 1985, yielding about 85,000 bags. New plantings have been encouraged by Government subsidies.

Over the past several years, coffee exports have totaled between 16,416 bags in 1977 and 43,344 bags in 1979. Export markets for the 1975-1979 period were as follows:

<u>Destinations</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
	----- (000 bags) -----				
Federal Republic of Germany	.2	.4	6.4	15.7	20.0
France	4.4	4.2	3.4	8.8	7.1
United Kingdom	4.6	6.5	7.4	1.4	1.0
Singapore	4.2	9.7	3.6	5.0	4.5
Maldiv Islands	4.6	6.5	-	-	-
United States	4.2	.7	.4	-	1.6
Others	3.3	6.9	1.3	7.9	9.4
Total	<u>25.5</u>	<u>34.9</u>	<u>24.5</u>	<u>38.6</u>	<u>34.2</u>

International Coffee Organization (ICO)

Countries which are members of the International Coffee Organization produce over 99 percent of the coffee entering international trade. Several minor coffee producing countries, which were not previously members of the International Coffee Agreement of 1976, have been encouraged to join in order to insure markets for their coffee. Member country imports from nonmember producers are tightly controlled.

Membership applications from Thailand and Singapore were approved and will be voted on by the International Coffee Council. Thailand was granted an export quota of 35,000 bags for the remainder of the current coffee year, expiring September 30, and an initial export quota of 95,000 bags for the 1981/82 coffee year. Sri Lanka has also joined the ICO as an Exporting Member with an annual quota for 1980/81 of 45,000 bags. Including Sri Lanka, the ICO's membership is now 70 countries: 46 exporting and 24 importing.

At the March 30-April 3 ICO Council Meeting, requests for quota increases were received from the African and Malagasy Coffee Organization (OAMCAF) Liberia, Philippines, Papua New Guinea, Bolivia, and Kenya. On the recommendation of the Board, and based on exceptional circumstances, the Council granted a 42,000 bag increase in Liberia's 120,000 bag annual quota. The additional shipments were to be equally divided between the third and fourth quarters. No action was taken on the other requests.

Rwanda's request for a waiver to export 120,000 bags of stocks held on September 30, 1980 was also granted because of exceptional circumstances. The 120,000 bags will be in addition to the country's annual quota of 360,000 bags for 1980/81.

At the May 26-28 meeting of the Executive Board, the Philippine request for an increase of 125,000 bags from its current 262,500 quota, and the Bolivian request for a 40,000 bag increase in its 102,200 bag quota, were rejected. A decision on Kenya's request for an increase of 350,000 bags in its 1.2 million bag quota was deferred until the June 29-July 3 meeting, while the African and Malagasy Coffee Organization's (OAMCAF) request for an increase from 6.66 million bags to at least 7 million bags was deferred until the 1981/82 quotas are discussed. A decision on Kenya's request will be made and will partially depend on any shortfalls declared by member exporting countries for 1980/81. As of early June 1981, no shortfalls had been declared, although total exports during the first 6 months of the year were 2.3 million bags below export quotas.

Beginning October 1, 1981 the composite 1976 Indicator Price, calculated on the basis of quotations on the New York market for selected growths of Other Milds and Robustas, will be replaced by the Composite Indicator Price 1979, calculated on the basis of quotations in the New York, French, and German markets for selected growths of Other Mild Arabicas and Robustas. A special working group within the ICO will meet in London in late June to discuss the mechanics of implementing the new series.

The ICO forecasts total disappearance of coffee in importing member countries for April 1981/March 1982 at 54.7 million bags, up 600,000 bags from 1980/81, but 1.2 million bags below 1979/80. This should place annual demand in importing member countries above quotas by at least 2 million bags.

Exports to member countries during the first 6 months of the 1980/81 coffee year totalled an estimated 25.8 million bags.

On June 4, the International Coffee Organization's 20-day moving average composite indicator price dropped below 115 cents per pound, triggering a third 1.4 million bag reduction in the export quotas of member countries. This reduction will be applied during the fourth quarter of the current marketing year (July 1-September 30), bringing the total reduction for the October 1980/September 1981 marketing year to 4.2 million bags.

As required, following the application of the third reduction in quotas, a special session of the Executive Board was convened on June 15 to review the market situation. An additional (4th) quota cut of 1.4 million bags was proposed as a possible measure to stem the recent sharp price decline; however, the decision to do so was deferred until the next Executive Board meeting, June 30 to July 3, 1981. At that time the Executive Board also was expected to carry out the necessary preparatory work related to the setting of quotas for the 1981-82 coffee year.

The next ICO Council meeting is set for September 7-17. Much of the session will be devoted to establishing export quotas based on projected demand for coffee among consumer members, and whether the current agreement will be renegotiated or extended, with or without modification. If time permits, the Organization may consider requests that production goals for coffee be established in producer countries in order to eliminate the cyclical gyrations of coffee production and prices.

International Trade

U.S. imports of green coffee during October-April 1980/81 totalled 10.7 million bags, or about 500,000 bags less than the 11.2 million bags imported during the first seven months of 1979/80. The value of these imports also declined from \$2.58 billion for the 7-month period in 1979/80 to \$1.91 billion in 1980/81. Roasted/ground and soluble coffee added the green bean equivalent of about 120,000 and 786,000 bags, respectively, for October/April 1980/81, down from 221,000 and 916,000 bags for the same period the previous year.

According to the U.S. Department of Commerce, U.S. roastings of green coffee during the first quarter of calendar 1981 were 4.990 million bags, up sharply from the 4.276 million bags roasted during January-March 1980. Total reported inventories of green coffee held by roasters, importers, and dealers on March 31, 1981 amounted to 2.793 million bags, up from 2.352 million bags on December 30, 1980 and marginally above the 2.769 million bags held a year earlier.

Coffee exports by producing countries are expected to decline further in 1980/81 to about 59.4 million bags, down from 64.7 million bags in 1978/79. Included in the 1980/81 export total are 56.0 million bags of green coffee, 3.1 million bags of soluble coffee (GBE) and 263,000 bags (GBE) of roasted-ground.

Brazil will account for 27.6 percent of the world's green bean exports and over 80.0 percent of the world's soluble exports during 1980/81.

Colombia will export about 9.75 million bags during 1980/81, compared to 11.9 million bags during 1979/80, equivalent to around 16.4 percent of the world total. Other leading exporters where shipments of more than 2 million bags are expected include: El Salvador, Guatemala, Mexico, Ivory Coast, and Indonesia.

Export percentages by continent, as projected for 1980/81, with comparable 1979/80 percentages in parentheses, are as follows: North America 17.9 (17.9); South America 47.7 (45.0); Africa 24.7 (26.6); and Asia and Oceania 9.7 (10.5).

A majority of European coffee traders believe that coffee consumption in Europe continues to increase modestly, with the others believing consumption is only static. Uncertain economic conditions are believed to have had a depressing effect on coffee sales in Europe. Although world coffee prices have been lower over the past year, part of this advantage has been offset by a strengthened U.S. dollar relative to European currencies. Most international coffee sales are quoted in dollars.

While an almost unlimited supply of coffee may exist in the world at very favorable prices, consumers in the centrally planned economies of Eastern Europe including Romania, Bulgaria Czechoslovakia, Yugoslavia, Poland, Hungary, and Albania cannot buy more because hard currency releases for coffee are tightly controlled. Barter arrangements are common between East European governments, under which farm machinery, military hardware, or other goods are exchanged for coffee from third world producers. When cash purchases are made, they are often at the lowest price available.

Other Activities

At the conclusion of their meeting in Mexico City during the first week of June, delegates from Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Mexico issued a communique stating that they have agreed to set up a working group which would examine the possibility of withholding supplies. The countries involved also agreed to establish an ad hoc commission to establish a common policy on coffee, and to create a technical commission for the interchange of information and techniques on fighting coffee rust. No details on the possibility of withholding supplies were made available. On the matter of coffee rust, delegates have decided to seek financial aid from the World Bank and the International Development Bank to fight the disease. Coffee rust was first detected in Nicaragua in 1976, and has since spread to El Salvador, Guatemala, and Honduras. It is now about 14 kilometers from the Mexico-Guatemala border and its entry into Chiapas, Mexico's major coffee growing area, is believed imminent.

The Inter-African Coffee Organization (IACO) conducted a 4 day seminar in Douala, Cameroon, May 11-14, on the rationalization of African coffee production. Eighty delegates representing both private and government sectors of the 22 member countries were in attendance. The seminar dealt with the role

of various international and national organizations in the production and commercialization of coffee. Talks covered such areas of concern as disease control, the pros and cons of government subsidies, diversification of coffee lands to food crops, and the role of cooperatives. Also covered was progress in the development of Arabusta coffee, which combines the flavor of Arabica coffee with the vigor of the Robustas.

In the United States, the ICO has selected the National Coffee Service Association (NCSA) to begin, on April 1, 1981, a 1 year program of education, promotion, and research designed to upgrade the quality and image of coffee in the American workplace. This is regarded by the ICO as the first step in an overall campaign to reverse the decline in coffee consumption in the United States. The office is the only sector where the trend in coffee drinking has been up rather than down. Should the 1 year promotion program prove successful, additional ICO funding for an expanded program will be considered for the following year.

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TABLE 1--COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1972/73-1976/77, ANNUAL 1977/78-1981/82 1/
(IN THOUSANDS OF 60 KILO BAGS) 2/

REGION AND COUNTRY	AVERAGE 1972/73-1976/77	1977/78	1978/79	1979/80	1980/81	1981/82
NORTH AMERICA:						
COSTA RICA.....	1,368	1,449	1,749	1,507	1,999	1,600
CUBA.....	446	375	325	300	300	300
DOMINICAN REPUBLIC.....	854	1,025	767	889	850	900
EL SALVADOR.....	2,642	2,700	3,423	3,122	2,376	2,223
GUATEMALA.....	2,225	2,541	2,827	2,647	2,600	2,600
HAITI.....	554	519	443	664	485	595
HONDURAS.....	752	1,036	1,132	1,140	1,380	1,500
JAMAICA.....	25	23	14	34	27	30
MEXICO.....	3,742	3,401	4,042	3,668	3,600	3,750
NICARAGUA.....	718	967	1,004	1,009	950	900
PANAMA.....	75	181	108	110	126	130
TRINIDAD-TOBAGO.....	49	41	39	36	33	41
US-HAWAII.....	15	14	10	13	9	16
US-PUERTO RICO.....	187	199	159	183	234	217
TOTAL NORTH AMERICA.....	13,654	14,391	16,042	15,254	14,769	14,802
SOUTH AMERICA:						
BOLIVIA.....	102	118	122	137	145	165
BRAZIL.....	19,720	17,500	20,000	22,000	21,500	32,000
COLOMBIA.....	8,645	11,050	12,600	12,712	14,000	14,500
ECUADOR 3/.....	1,274	1,302	1,833	1,590	1,413	1,525
GUYANA.....	14	17	17	20	19	17
PARAGUAY.....	94	71	144	40	75	175
PERU.....	1,018	1,050	1,130	1,265	1,100	1,250
VENEZUELA.....	913	1,061	1,311	1,007	1,073	1,335
TOTAL SOUTH AMERICA.....	31,775	32,169	36,857	38,771	39,325	50,667
AFRICA:						
ANGOLA.....	2,557	1,047	648	300	350	400
BEWIN.....	23	3	3	5	5	5
BURUNDI.....	361	285	387	466	333	480
CAMEROON.....	1,505	1,371	1,627	1,658	1,750	1,600
CENTRAL AFRICAN REPUBLIC..	167	165	180	215	235	220
CONGO, BRAZZAVILLE.....	19	46	107	43	58	65
EQUATORIAL GUINEA.....	102	80	90	100	100	110
ETHIOPIA.....	2,530	3,143	3,142	3,088	3,100	3,200
GABON.....	5	3	6	3	8	5
GHANA.....	65	32	31	38	33	36
GUINEA.....	40	16	59	34	75	65
IVORY COAST.....	4,599	3,393	4,616	4,120	5,000	4,667
KENYA.....	1,304	1,417	1,239	1,528	1,450	1,583
LIBERIA.....	90	137	144	148	135	125
MADAGASCAR.....	1,133	1,292	1,023	1,313	1,350	1,400
NIGERIA.....	50	43	50	50	52	52
RWANDA.....	416	362	311	501	527	400
SIERRA LEONE.....	110	77	230	172	190	167
TANZANIA.....	864	835	856	809	860	1,000
TOGO.....	174	82	105	173	160	170
UGANDA.....	3,131	1,868	1,823	2,082	2,000	1,900
ZAMBIA (CONGO,K).....	1,375	1,129	1,300	1,400	1,400	1,300
TOTAL AFRICA.....	20,642	16,826	17,977	18,251	19,171	18,950
ASIA:						
INDIA.....	1,629	2,147	1,842	2,600	2,175	2,333
INDONESIA.....	2,773	3,911	4,788	4,803	5,162	5,420
MALAYSIA.....	109	132	143	145	148	152
PHILIPPINES.....	489	575	600	690	800	825
PORTUGUESE TIMOR 4/.....	68	75	--	--	--	--
VIETNAM.....	50	65	70	70	70	60
YEMEN, ARAB REP.....	47	50	50	50	50	50
TOTAL ASIA.....	5,172	6,955	7,493	8,358	8,405	8,840
OCEANIA:						
NEW CALEDONIA.....	25	25	25	25	25	25
PAPUA NEW GUINEA.....	625	767	740	844	850	900
TOTAL OCEANIA.....	650	792	765	869	875	925
WORLD TOTAL.....	71,893	71,133	79,134	81,503	82,745	94,184

1/ Coffee marketing year begins about July in some countries and in others about October. 2/ 132,276 pounds. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1981 in that country is shown as production for the 1981/82 marketing year. In Ecuador, however, this is referred to as the 1980/81 crop. 4/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements. Also, due to rounding, country totals may not add to area and world totals.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

TABLE 2--COFFEE, GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1972/73-1976/77, ANNUAL 1977/78-1981/82 1/
(IN THOUSANDS OF 60 KILO BAGS) 2/

REGION AND COUNTRY	AVERAGE 1972/73-1976/77	1977/78	1978/79	1979/80	1980/81	1981/82
NORTH AMERICA:						
COSTA RICA.....	1,204	1,264	1,533	1,296	1,755	1,365
CUBA.....	--	--	--	--	--	--
DOMINICAN REPUBLIC.....	574	755	487	604	560	605
EL SALVADOR.....	2,466	2,510	3,228	2,922	2,172	2,018
GUATEMALA.....	1,944	2,236	2,517	2,332	2,275	2,265
HAITI.....	329	304	228	444	260	375
HONDURAS.....	651	929	1,023	1,026	1,264	1,380
JAMAICA.....	10	16	5	22	14	16
MEXICO.....	2,240	2,001	2,935	2,310	2,200	2,270
NICARAGUA.....	641	687	921	926	866	815
PANAMA.....	12	34	40	42	57	60
TRINIDAD-TOBAGO.....	36	27	24	20	16	24
US-HAWAII.....	--	--	--	--	--	--
US-PUERTO RICO.....	--	--	--	--	--	--
TOTAL NORTH AMERICA.....	10,108	10,963	12,941	11,944	11,439	11,193
SOUTH AMERICA:						
BOLIVIA.....	75	87	69	103	111	130
BRAZIL.....	12,320	10,000	12,000	14,000	13,500	23,500
COLOMBIA.....	7,218	9,506	10,970	10,962	12,175	12,656
ECUADOR 3/.....	1,115	1,107	1,630	1,379	1,193	1,295
GUYANA.....	--	--	--	2	--	--
PARAGUAY.....	69	45	117	5	47	145
PERU.....	774	900	880	1,015	840	980
VENEZUELA.....	266	271	178	72	115	56
TOTAL SOUTH AMERICA.....	21,838	21,810	25,664	27,542	27,581	38,758
AFRICA:						
ANGOLA.....	2,466	972	568	220	265	315
BENIN.....	22	2	2	4	4	4
BURUNDI.....	358	282	384	463	330	477
CAMEROON.....	1,479	1,344	1,599	1,626	1,716	1,565
CENTRAL AFRICAN REPUBLIC.....	156	153	168	201	218	202
CONGO, BRAZZAVILLE.....	18	45	106	42	57	64
EQUATORIAL GUINEA.....	92	70	80	90	50	160
ETHIOPIA.....	1,052	1,354	1,342	1,255	1,250	1,325
GABON.....	5	2	5	7	7	4
GHANA.....	51	22	23	30	25	27
GUINEA.....	43	10	53	28	68	53
IVORY COAST.....	4,136	3,357	4,551	4,050	4,935	4,502
KENYA.....	1,277	1,367	1,181	1,465	1,375	1,518
LIBERIA.....	87	126	133	136	123	114
MAADAGASCAR.....	993	1,152	875	1,156	1,184	1,230
NIGERIA.....	4	--	--	--	--	--
RWANDA.....	414	360	309	439	525	398
SIERRA LEONE.....	114	72	225	167	165	162
TANZANIA.....	839	814	836	789	835	977
TOGO.....	173	81	104	172	159	169
UGANDA.....	3,105	1,838	1,793	2,052	1,570	1,869
ZAIRE (CONGO-K).....	1,227	954	1,120	1,210	1,205	1,190
TOTAL AFRICA.....	18,114	14,377	15,457	15,674	16,527	16,280
ASIA:						
INDIA.....	860	1,297	1,034	1,767	1,260	1,383
INDONESIA.....	1,790	2,886	3,738	3,723	4,062	4,265
MALAYSIA.....	12	--	--	--	--	--
PHILIPPINES.....	89	250	242	300	392	410
PORTUGUESE TIMOR 4/.....	59	65	--	--	--	--
VIETNAM.....	26	30	35	35	35	25
YEMEN, ARAB REP.....	37	40	40	40	40	40
TOTAL ASIA.....	2,895	4,568	5,089	5,865	5,769	6,123
OCEANIA:						
NEW CALEDONIA.....	15	14	14	14	14	14
PAPUA NEW GUINEA.....	613	752	725	828	834	884
TOTAL OCEANIA.....	627	766	739	842	848	898
WORLD TOTAL.....	53,582	52,484	60,990	61,867	62,584	73,252

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ 132,276 pounds. 3/ As indicated in footnote, 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1981 in that country is shown as production for the 1981/82 marketing year. In Ecuador, however, this is referred to as the 1980/81 crop. 4/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements. Also, due to rounding, country totals may not add to area and world totals.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

TABLE 3--WORLD COFFEE SUPPLY AND DISTRIBUTION, 1960-1962

(IN 1,000 60-KG BAGS)

COUNTRY BY TIME PERIOD	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL SUPPLY DISTRIBUTION	DOMESTIC USE	EXPORTS			ENDING STOCKS	
						BEANS	RSTD/GRND	SOLUBLE		TOTAL
WORLD TOTAL										
1960/61.....	53,806	65,374	215	124,335	16,270	42,846	63	92	43,003	65,123
1961/62.....	65,123	75,950	191	141,264	20,585	45,959	56	135	46,151	74,128
1962/63.....	74,128	67,787	162	142,077	14,531	46,776	42	123	46,946	80,533
1963/64.....	80,533	65,338	91	145,967	17,524	50,883	69	118	51,070	77,371
1964/65.....	77,371	52,642	89	130,105	16,650	41,765	58	78	41,902	71,555
1965/66.....	71,556	82,153	144	153,653	17,697	49,669	37	257	49,965	86,188
1966/67.....	86,188	63,380	159	149,726	19,128	48,324	26	564	48,915	81,684
1967/68.....	81,684	70,877	155	152,715	17,550	54,935	55	741	55,732	79,039
1968/69.....	79,039	63,316	125	142,490	19,528	52,542	76	963	53,582	69,370
1969/70.....	69,370	69,713	181	139,264	18,791	53,875	84	1,161	55,119	65,354
1970/71.....	65,354	58,979	429	124,762	19,270	50,530	107	1,253	51,891	53,504
1971/72.....	53,504	73,673	461	127,744	18,954	56,681	258	1,589	58,529	50,259
1972/73.....	50,259	77,133	456	127,848	17,356	58,973	381	2,045	61,400	49,084
1973/74.....	49,084	66,115	533	115,739	19,022	58,330	163	2,149	60,641	36,076
1974/75.....	36,076	82,370	543	114,998	19,136	53,350	240	1,585	55,575	44,284
1975/76.....	44,284	72,451	496	117,231	18,786	56,996	394	2,164	59,557	38,891
1976/77.....	38,891	61,386	456	100,773	17,964	54,726	306	2,176	57,208	25,601
1977/78.....	25,601	71,133	563	97,303	18,784	47,572	175	1,993	48,639	29,880
1978/79.....	29,880	79,134	601	109,615	19,227	62,080	205	2,430	64,714	25,614
1979/80.....	25,614	81,503	619	107,735	19,922	59,406	236	2,452	62,095	25,719
1980/81.....	25,719	82,745	562	109,026	20,400	55,966	263	3,127	59,356	29,264
1981/82.....	29,264	94,184	553	123,991	21,215	59,501	358	3,066	62,925	39,851

NOTE: TOTAL MAY NOT ADD BECAUSE OF ROUNDING, -- DENOTES UNAVAILABLE, NEGLIGIBLE, OR ZERO

JUNE 1981

HORTICULTURAL AND TROPICAL PRODUCTS DIVISION
COMMODITY PROGRAMS, FAS, USDA

TABLE 4

COFFEE YEAR 1980/81

ANNUAL AND QUARTERLY QUOTAS

(60 kilo bags)

Exporting Member	Annual quota ^{1/}	Quarterly quotas			
		Oct.-Dec. 1980 ^{2/}	Jan.-March 1981 ^{3/}	April-June 1981	July-Sept. 1981
	(1)	(2)	(3)	(4)	(5)
TOTAL	54 932 374	13 561 323	13 043 384	14 517 309	13 810 358
A. Sub-total: Members entitled to a basic quota	52 169 275	12 906 048	12 388 109	13 754 785	13 100 333
Colombian Milsa	10 866 140	2 494 081	2 472 059	3 015 000	2 885 000
Colombia	8 932 337	2 011 024	2 071 313	2 425 000	2 425 000
Kenya	1 197 116	317 200	229 916	390 000 ^{4/}	260 000 ^{5/}
Tanzania	736 687	165 857	170 830	200 000	200 000
Other Milsa	13 312 693	3 318 855	3 264 838	3 419 500	3 309 500
Costa Rica	1 379 489	366 471	338 018	337 500	337 500
Dominican Republic	431 677	120 378	123 299	94 000	94 000
Ecuador	1 195 556	344 930	265 626	292 500	292 500
El Salvador	2 117 977	476 861	491 136	575 000	575 000
Guatemala	1 931 284	435 376	550 908	472 500	472 500
Honduras	1 012 947	228 055	234 892	330 000 ^{6/}	220 000 ^{5/}
India	1 011 891	287 395	218 496	253 000	253 000
Mexico	2 025 890	456 108	469 782	550 000	550 000
Nicaragua	734 767	204 897	209 870	160 000	160 000
Papua New Guinea	644 601	167 894	126 707	175 000	175 000
Peru	826 614	230 510	236 104	180 000	180 000
Unwashed Arabicas	15 377 287	4 085 550	3 369 737	3 961 000	3 961 000
Brazil	14 088 756	3 795 299	3 043 457	3 625 000	3 625 000
Ethiopia	1 288 531	290 251	326 280	336 000	336 000
Robustas	12 593 155	3 007 562	3 281 475	3 359 285	2 944 833
Angola	393 760	136 640	117 120	80 000	60 000
Indonesia	2 946 750	663 430	683 320	800 000	800 000
QANCAF ^{6/}	(6 173 054)	(1 470 706)	(1 678 230)	(1 709 285)	(1 314 833)
Benin	45 000	0	0	0	0
Cameroon	1 473 747	332 144	404 648	416 540 ^{7/}	320 415 ^{5/}
Central African Republic	204 167	51 062	59 208	53 084 ^{7/}	40 833 ^{5/}
Congo	35 000	35 000	0	0	0
Gabon	7 500	7 500	0	0	0
Ivory Coast	3 239 171	730 028	889 381	915 518 ^{7/}	704 244 ^{5/}
Madagascar	898 469	202 492	246 693	253 943 ^{7/}	195 341 ^{5/}
Togo	270 000	67 500	78 300	70 200 ^{7/}	54 000 ^{5/}
Uganda	1 976 000	488 000	488 000	500 000	500 000
Zaire	1 103 591	248 786	314 805	270 000	270 000
B. Sub-total: Members exempt from a basic quota	2 783 099	655 275	655 275	762 524	710 025
Arabicas	1 932 433	453 109	453 108	513 108	513 108
Bolivia	102 200	25 550	25 550	25 550	25 550
Burundi	400 000	100 000	100 000	100 000	100 000
Haiti	400 000	100 000	100 000	100 000	100 000
Jamaica ^{8/}	16 000	4 000	4 000	4 000	4 000
Malawi ^{8/}	7 500	1 875	1 875	1 875	1 875
Panama ^{8/}	57 400	14 350	14 350	14 350	14 350
Paraguay ^{8/}	98 000	24 500	24 500	24 500	24 500
Rhodesia	480 000 ^{9/}	90 000	90 000	150 000	150 000
Venezuela	311 333	77 834	77 833	77 833	77 833
Zimbabwe ^{8/}	60 000	15 000	15 000	15 000	15 000
Robustas	850 666	202 166	202 167	249 416	196 917
Ghana ^{8/}	33 333	8 333	8 334	8 333	8 333
Guinea	83 333	20 833	20 833	20 833	20 834
Liberia	162 000 ^{10/}	30 000	30 000	51 000	51 000
Nigeria ^{8/}	98 000	24 500	24 500	24 500	24 500
Philippines	262 500	65 625	65 625	91 875 ^{11/}	39 375 ^{12/}
Sierra Leone	175 000	43 750	43 750	43 750	43 750
Trinidad and Tobago ^{8/}	36 500	9 125	9 125	9 125	9 125

^{1/} Initial quota as shown in column (1) of Table 1 of document ED-1017/81 of 6 January 1981 adjusted to reflect the accession of Zimbabwe, the first and second downward adjustments of 1.4 million bags each and the definitive retention of the 2.4 percent conditional parts relating to the quarters October-December 1980 and January-March 1981

^{2/} See Annex Table 1

^{3/} See Annex Table 2

^{4/} 30 percent of annual quota

^{5/} 20 percent of annual quota

^{6/} See footnote to paragraph 9 of document ED-1017/81

^{7/} 26 percent of annual quota

^{8/} Members which are listed in Annex 1 to the Agreement as exporting less than 100 000 bags per annum are not subject to quarterly quotas. However, in this table, hypothetical quarterly quotas (25 percent for each quarter) have been shown for these Members, except for Benin, Congo and Gabon which are Members of the QANCAF group for which all matters related to quotas are dealt with in accordance with the provisions of paragraph (2) of Article 6 of the Agreement

^{9/} Includes a waiver of 120 000 bags distributed equally between the two quarters April-June and July-September 1981

^{10/} Includes a waiver of 42 000 bags distributed equally between the two quarters April-June and July-September 1981

^{11/} 35 percent of annual quota

^{12/} 1 percent of annual quota

Table 5

COMPARISON BETWEEN EXPORTS BY EXPORTING MEMBERS TO MEMBER COUNTRIES AND QUOTAS
SIX MONTHS OCTOBER-MARCH 1980/81

(60 kilo bags)

Exporting Member	Reported exports (1)	Reported use of stamps 1/ (2)	Volume covered by Certificates of Origin Form 0 (3)	Highest of the three export series in col 1, 2 and 3 (4)	Current quota 2/ (5)	Highest exports	
						Below quota (6)	Above quota (7)
TOTAL			23 430 454	24 319 557	26 604 707	-2 404 310	119 160
A. Sub-total: Members entitled to a basic quota			22 814 717	23 505 403	25 294 157	-1 834 211	45 457
Colombian Milsa			4 863 772	4 863 772	4 966 140	-102 368	
Colombia	4 025 585	3 974 740	4 026 674	4 026 674	4 082 337	-55 663	
Kenya	529 193	528 473	529 863	529 863	547 116	-17 253	
Tanzania			307 235	307 235	336 687	-29 452	
Other Milsa	6 175 394		6 132 060	6 293 566	6 583 693	-334 027	43 900
Costa Rica	692 505	700 234	698 703	700 234	704 489	-4 255	
Dominican Republic	248 195		243 647	248 195	243 677		4 518
Ecuador	624 603	647 399	564 544	647 399	610 556		36 843
El Salvador	846 452	670 188	850 133	850 133	967 977	-117 844	
Guatemala	885 568		966 099	966 099	986 284	-20 185	
Honduras	440 076	443 511	395 922	443 511	462 947	-19 436	
India	427 766		414 523	427 766	505 891	-78 125	
Mexico	873 685	873 560	871 875	873 685	925 890	-52 205	
Nicaragua	417 306	402 000	414 305	417 306	414 767		2 539
Papua New Guinea	258 874		252 232	258 874	294 601	-35 727	
Peru	460 364		460 077	460 364	466 614	-6 250	
Unwashed Arabicas	7 188 245	7 231 144	7 068 266	7 248 260	7 455 287	-208 584	1 557
Brazil	6 780 298	6 840 313	6 753 210	6 840 313	6 838 756		1 557
Ethiopia	407 947	390 831	315 056	407 947	616 531	-208 584	
Robustas	5 058 690		4 750 619	5 099 805	6 289 037	-1 189 232	
Angola	150 743	150 737	150 743	150 743	253 760	-103 017	
Indonesia	1 088 084	1 086 156	980 254	1 088 084	1 346 750	-258 666	
OAMCAP	(2 899 673)		(2 784 262)	(2 940 788)	(3 148 936)	(-208 148)	
Benin	1 951		951	1 951	45 000 3/		
Cameroon	683 287		651 399	683 287	734 792		
Central African Republic	92 792		65 357	92 792	110 250		
Congo	13 347		10 235	13 347	35 000 3/		
Gabon	4 350		3 825	4 350	7 500 3/		
Ivory Coast	1 597 983		1 508 085	1 597 983	1 619 409		
Madagascar	406 833		447 948	447 948	449 185		
Togo	99 130	96 438	96 462	99 130	145 800		
Uganda	518 009	485 042	482 442	518 009	976 000	-457 991	
Zaire	402 181		352 918	402 181	563 591	-161 410	
B. Sub-total: Members exempt from basic quota	723 792		615 737	814 154	1 310 550	-570 099	73 703
Arabicas	453 336		396 292	543 257	906 217	-395 185	32 225
Bolivia	29 846	38 767	3 900	38 767	51 100	-12 333	
Burundi	3 212		48 587	48 587	200 000	-151 413	
Malta	155 780	157 779	157 100	157 779	200 000	-42 221	
Jamaica	5 133		5 146	5 146	8 000 4/	-2 854 4/	
Malawi	4 594		3 506	4 594	3 750 4/		844 4/
Panama	14 081		0	54 081	28 700 4/		25 381 4/
Paraguay	13 795		13 795	13 795	49 000 4/	-35 205 4/	
Rwanda	149 970	180 250	147 250	180 250	180 000		250
Venezuela	1 175		4 508	4 508	155 667	-151 159	
Zimbabwe	35 750		12 500	35 750	30 000 4/		5 750 4/
Robustas	270 456		219 445	270 897	404 333	-174 914	41 478
Ghana	13 535		13 579	13 579	16 667 4/	-3 088 4/	
Guinea	4 170		4 170	4 170	41 666	-37 496	
Liberia	51 857		51 846	51 857	60 000	-8 143	
Nigeria	0		0	0	49 000 4/	-49 000 4/	
Philippines	172 728		121 294	172 728	131 250		41 478
Sierra Leone	15 261	15 638	15 638	15 638	87 500	-71 862	
Trinidad and Tobago	12 925	12 505	12 918	12 925	18 250 4/	-5 325 4/	

A blank denotes that the information was not provided by the Member

1/ Based on reported usage of stamps for five months from November 1980 to March 1981 and volumes covered by first copies of Certificates of Origin in Form 0 for October 1980

2/ See document ED-1031/81

3/ Annual quota

4/ Members not subject to quarterly quotas

Information received up to 13 May 1981

Source: ICO Document: Board No. 316(E)

25 May 1981

TABLE 6
REPORTED IMPORTS BY IMPORTING MEMBERS FROM NON-MEMBER COUNTRIES
OCTOBER 1980 TO MARCH 1981

(60 kilo bags)

Importing Member	Present limitation on imports from non-members 1/	1980				1981			
		Oct.	Nov.	Dec.	Oct.-Dec.	Jan.	Feb.	Mar.	Jan.-Mar.
TOTAL	509 999								
U.S.A.	121 060	586	1 087	1 268	3 741	5 315	4 608	6 356	16 279
E.E.C.	175 883	3 591	2 896	2 699	9 186				
Belgium/Luxembourg	64 110	999	964	0	1 963				
Denmark	18 905	1 214	0	424	1 638	0	22		
F.R. of Germany	6 381	461	744	1 374	2 579	838	554		
France	17 161	155	935	242	1 332	402	702		
Ireland	1 217	10	0	1	11	1	0		
Italy	46 804	163	48	8	219	3	96		
Netherlands	15 982	574	176	283	1 033				
United Kingdom	5 323	15	29	367	411	208			
Other Members	212 256								
Australia	2 590	0	11	138	149	0			
Austria	4 708	142	308	100	550	5 779	453		
Canada	2 982	127	2 336	0	2 463	0			
Cyprus	148	0	0	0	0				
Finland	3 715	0	0	0	0	0	0		
Hong Kong	10 944	2 270							
Hungary	13 282	0	0	0	0				
Israel	4 450								
Japan	25 062	3 514	274	282	4 070	3 148			
New Zealand	576	0	367	284	651	0	0	0	0
Norway	7 878	34	0	0	34	0	668		
Portugal	9 932	807							
Spain	99 578	0	0	0	0	0			
Sweden	263	0	4	4	8				
Switzerland	19 243	0	1 065	2 001	3 066	176	1 009		
Yugoslavia	6 905				24 950 2/				

A blank denotes that the information was not provided by the Member

1/ See Annex 7 to document EB-1628/78 Rev. 1

2/ Amount reported as imported from Cuba by Member; see document EB-1893/81

Source: ICO Document 1916/81 (E)

21 May 1981

Table 7--ICO COMPOSITE DAILY INDICATOR PRICE (1976 AGREEMENT)
(U.S. CENTS PER POUND EQUIVALENT)

Date	January			February			March			April			May			June		
	Daily	20-day moving Average	20-day moving Average	Daily	20-day moving Average	20-day moving Average	Daily	20-day moving Average	20-day moving Average	Daily	20-day moving Average	20-day moving Average	Daily	20-day moving Average	20-day moving Average	Daily	20-day moving Average	20-day moving Average
1.....	-	-	-	121.17	-	-	119.75	-	-	121.92	120.04	121.34	120.47	109.92	116.58	109.92	116.58	116.58
2.....	-	-	-	120.29	124.71	124.39	119.79	120.15	122.03	120.16	-	-	-	110.59	116.07	110.59	116.07	116.07
3.....	-	-	-	118.17	124.00	124.00	120.09	120.08	121.75	120.27	-	-	-	109.46	115.53	109.46	115.53	115.53
4.....	125.59	120.34	120.34	119.42	123.73	123.73	119.63	120.15	-	-	-	120.84	120.42	105.25	114.77	105.25	114.77	114.77
5.....	126.59	120.60	120.60	119.75	123.43	123.43	119.38	120.15	120.38	120.38	-	-	120.25	105.67	114.03	105.67	114.03	114.03
6.....	126.04	120.88	120.88	-	-	-	-	-	120.63	120.51	120.34	120.41	120.41	-	-	-	-	-
7.....	124.84	121.15	121.15	119.84	-	-	-	-	120.59	120.65	120.54	120.40	120.40	-	-	-	-	-
8.....	125.75	121.49	121.49	119.84	123.07	123.07	118.29	120.07	119.84	120.77	-	-	120.43	103.00	113.15	103.00	113.15	113.15
9.....	-	-	-	120.21	122.64	122.64	118.04	119.98	119.79	120.85	-	-	-	98.25	112.03	98.25	112.03	112.03
10.....	-	-	-	119.57	122.20	122.20	117.79	119.86	-	-	-	-	-	101.25	111.06	101.25	111.06	111.06
11.....	-	-	-	120.25	121.80	121.80	117.46	117.46	-	-	-	-	-	99.42	110.08	99.42	110.08	110.08
12.....	127.00	121.87	121.87	120.94	121.45	121.45	118.21	119.65	118.29	120.84	120.63	120.54	120.62	101.63	109.25	101.63	109.25	109.25
13.....	128.75	122.40	122.40	-	-	-	-	-	118.75	120.90	118.09	120.55	120.55	-	-	-	-	-
14.....	128.50	123.04	123.04	-	-	-	-	-	119.42	120.95	116.09	120.36	120.36	-	-	-	-	-
15.....	128.17	123.71	123.71	-	-	-	-	-	119.92	-	120.94	-	-	101.17	108.51	101.17	108.51	108.51
16.....	127.86	124.22	124.22	120.57	-	-	118.50	119.53	-	-	-	-	-	97.75	107.69	97.75	107.69	107.69
17.....	-	-	-	119.42	121.15	121.15	117.42	119.38	-	-	-	-	-	97.13	106.93	97.13	106.93	106.93
18.....	-	-	-	120.25	120.75	120.75	118.42	119.33	-	-	-	-	-	96.88	106.09	96.88	106.09	106.09
19.....	126.69	124.62	124.62	120.34	120.53	120.53	120.17	119.32	-	-	-	-	-	97.17	105.22	97.17	105.22	105.22
20.....	127.46	125.02	125.02	120.34	120.31	120.31	119.67	119.29	119.92	120.17	120.87	114.54	119.03	-	-	-	-	-
21.....	124.63	125.23	125.23	-	-	-	-	-	120.50	120.63	120.69	113.92	118.67	-	-	-	-	-
22.....	122.25	125.51	125.51	120.75	120.23	120.23	121.88	119.34	120.17	120.50	120.78	113.92	118.67	93.25	104.19	93.25	104.19	104.19
23.....	122.38	125.58	125.58	121.09	120.26	120.26	122.34	119.41	120.63	120.69	-	-	-	90.00	103.00	90.00	103.00	103.00
24.....	-	-	-	119.92	120.28	120.28	122.34	119.46	121.13	120.64	-	-	-	90.17	101.75	90.17	101.75	101.75
25.....	-	-	-	120.09	120.26	120.26	122.00	119.67	-	-	-	-	-	90.38	100.54	90.38	100.54	100.54
26.....	120.34	125.50	125.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27.....	120.34	125.34	125.34	121.29	120.31	120.31	-	-	122.00	120.64	115.25	117.91	118.26	-	-	-	-	-
28.....	120.46	125.16	125.16	119.92	120.26	120.26	-	-	122.13	120.61	114.54	117.58	117.15	-	-	-	-	-
29.....	120.54	125.01	125.01	120.09	120.26	120.26	-	-	121.21	120.55	112.46	-	-	-	-	-	-	-
30.....	121.84	124.93	124.93	-	-	-	122.67	119.81	120.96	120.50	-	-	-	-	-	-	-	-
31.....	-	-	-	120.18	121.87	121.87	122.42	119.94	120.57	120.64	117.15	-	-	-	-	-	-	-
Ave....	124.80	123.58	123.58	-	-	-	119.93	119.62	120.57	120.64	117.15	-	-	-	-	-	-	-

Note: Dashes denote weekends and holidays.

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